May 10, 2011

Summary of Financial Results for the Fiscal Year Ending March 31, 2011
[Japanese standards] (Consolidated)

Company name: PC DEPOT CORPORATION
Securities code: 7618
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Stock Exchange listings: Osaka Securities Exchange【JASDAQ】
URL: http://www.pcdepot.co.jp
Scheduled date of Ordinary General Shareholders' Meeting June 23, 2011
Scheduled date of filing of Annual Securities report: June 24, 2011
Scheduled date of payment of dividend: June 24, 2011
Preparation of supplementary references regarding the financial results: Yes
Holding the briefing of the financial results: Yes (For analysts and investors)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(1) Consolidated results of operations

(Percentages shown for net sales, operating income, ordinary income and net income represent year-over-year changes)

	Net Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 2011	46,912	4.9	1,368	11.6	1,509	15.6	737	9.0
Fiscal year ended Mar. 2010	44,740	4.3	1,226	(2.7)	1,306	(8.6)	676	(1.1)

Reference: Consolidated income: Fiscal year ended Mar. 2011: 752 million yen (- %)
Fiscal year ended Mar. 2010: 728 million yen (- %)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income on net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 2011	3,417.66	3,411.36	8.2	8.0	2.9
Fiscal year ended Mar. 2010	3,107.98	-	8.1	7.7	2.7

Reference: Equity in income (losses) of affiliates: Fiscal year ended Mar. 2011: 1 million yen
Fiscal year ended Mar. 2010: (19) million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2011	19,728	9,533	47.4	42,500.70
As of Mar. 31, 2010	17,954	8,738	47.7	40,514.17

Reference: Shareholders equity: As of Mar. 31, 2011: 9,351 million yen
As of Mar. 31, 2010: 8,570 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 2011	1,121	(1,440)	1,070	2,505
Fiscal year ended Mar. 2010	182	(1,561)	1,330	1,753

2. Dividends

	Dividend per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ending Mar.2010	-	350.00	-	350.00	700.00	151	22.5	1.8
Fiscal year ending Mar.2011	-	350.00	-	350.00	700.00	154	20.5	1.7
Fiscal year ending Mar.2012 (forecasts)	-	350.00	-	350.00	700.00		19.5	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2012 (April 1, 2011 – March 31, 2012)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	23,500	3.5	520	(28.4)	550	(28.5)	300	(12.7)	1,363.51
Full year	50,000	6.6	1,670	22.0	1,750	15.9	790	7.1	3,590.58

4. Other

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): No

Newly companies: － (Company name:)

Excluded companies: － (Company name:)

Note: Please refer to “2.Corporate Group” on page 9 for further information.

(2) Changes in accounting principles, procedures and presentation methods, etc.

1) Changes caused by revision of accounting standards: Yes

2) Other changes: No

Note: Please refer to “Changes in Significant Accounting Policies in the Preparation of Consolidated Financial Statements” on page 28 for further information.

(3) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of period (including treasury stock)

Mar. 31, 2011: 225,020 shares

Mar. 31, 2010: 225,202 shares

2) Number of treasury stock at the end of period

Mar. 31, 2011: 5,000 shares

Mar. 31, 2010: 13,484 shares

3) Average number of shares outstanding during the period

Mar. 31, 2011: 215,929 shares

Mar. 31, 2010: 217,772 shares

※The number of treasury stock is described including our stocks 5,000 stocks that the trust entrance owns.

Note: Please refer to “10.Notes to Consolidated Financial Statements (Per Share Information)” on page 36 for the number of shares used in calculating consolidated net income per share.

(For reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2011 (April 1, 2010 – March 31, 2011)

(1) Non-consolidated results of operations (Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 2011	42,109	4.8	1,053	28.9	1,270	28.2	638	16.9
Fiscal year ended Mar. 2010	40,182	(1.1)	817	(18.1)	991	(19.9)	546	(9.3)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 2011	2,957.64	2,952.18
Fiscal year ended Mar. 2010	2,509.20	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 2011	17,547	7,850	44.7	35,679.17
As of Mar. 2010	15,711	7,168	45.5	33,888.63

Reference: Shareholders equity: As of Mar. 31, 2011: 7,850 million yen
As of Mar. 31, 2010: 7,168 million yen

2. Non-consolidated Forecast for the Fiscal Year Ending March 31, 2012 (April 1, 2011 – March 31, 2012)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	21,000	3.2	375	(32.7)	500	(26.0)	300	(7.3)	1,363.51
Full year	45.500	8.1	1,400	32.9	1,600	25.9	780	22.1	3,545.13

* Presentation concerning implementation status of auditing procedures

Financial results for the fiscal year ending March 31, 2011 are not the subject of an auditing procedure based on the Financial Instruments and Exchange Act, and at the point in time when these financial results were disclosed, auditing procedures for financial statements based on the Financial Instruments and Exchange Act had not been completed.

* Cautionary statement with respect to forward-looking statements

Earnings forecasts in these materials are based on the judgment of management using information available at the time it was prepared, and embody substantial uncertainly. Actual results may differ from these forecasts due to changes in the business environment and other factors. Please refer to “(1)Analysis of results of operating(Forecast for the future)” in “1. Results of Operations” on page 3 regarding preconditions or other related matters for the forecast shown above.

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* We are scheduled to hold an investor meeting for mass media and analyst as following. It is scheduled to post the documentation, moving image of the investor meeting, and question-and-answer material delivered at this investor conference on our Webpage at a later date.

· May 12, 2011 (Thurs.)   Results meeting for analysts and institutional investors
(Our Website: http://www.pcdepot.co.jp/co_ir/index.html)

1. Results of Operations

(1) Analysis of results of operating

(Operating results of the current term)

If we look into the economy of our country during this consolidated fiscal year (April 1, 2010 to March 31, 2011), we can see that although corporate earnings have improved and personal consumption is showing signs of recovery, the unemployment rate is still quite high and economic conditions in the country continue to leave us with feelings of uncertainty for the future. Moreover, under the impact of the Eastern Japan Earthquake that occurred on March 11, 2011, and also due to the restrictions of electric power supply and other events that followed the disaster, the whole country had and still has to cope with drastic changes of a truly unforeseen scale.

In the area of over-the-counter sales of personal computers, both the number of products sold and the prices have been quite favorable following the release of a large number of new products such as high-performance appliances capable of receiving digital terrestrial television broadcasting, iPads and other tablet PCs. Robust sales were not limited to the personal computer market, as sales of television sets were quite favorable, and also, starting from the third quarter, many new hand-held devices, such as smartphones (high-performance mobile phones) were put on the market and gained wide popularity.

The conditions being such as described above, our Company Group has made a strong effort to further promote sales. One measure was to establish selling spaces called VISION CENTERs in order to boost sales of large-sized TV sets, and we have established such centers one by one starting from the second quarter at the directly managed stores. We have also strived to increase the sales of smartphones and other similar devices and broaden the range of products offered in the area of Internet devices (products that can be connected to the Internet). The expenses incurred during this term were quite high. These included the expenses needed for the establishment of VISION CENTERs, the operation expenses of distribution centers, and personnel expenses required for the test of the direct management system we introduced at PC DEPOT PC Clinics (support counters offering technical service for personal computers). Also, since a large number of such counters were opened during this term with 13 stores opened in the third and 17 in the fourth quarter, about 400 million yen of one-time expenses including opening expenses, operation expenses, etc. were incurred, resulting in a significant increase of sales expenses and general administrative expenses with a 118.8% increase as compared with last year. Nevertheless, the operating income, the ordinary income, and the net income for the year all exceeded the amount posted for the previous year.

As a consequence of the Eastern Japan Earthquake that occurred on March 11, 2011, the operating performance of our Group rapidly deteriorated right after the day of the earthquake and continued sluggish due to a decrease in the number of customers coming to the shops, temporary closures of certain stores following the rolling blackouts, shortening of business hours, etc., but the Group did not incur any material or human damages, which would interfere with the continuation of the business.

In order to offer our support to those who have suffered damages in the disaster, our Group decided to donate contributions to Central Community Chest of Japan from each company comprising our Group and also from all of the employees, and we are also conducting a fund-raising campaign at each of the PC DEPOT stores. Also, we are offering preferential treatment and discounts on both the first aid treatment and the repairs of personal computers for those, who suffered damages in the disaster, selling certain products on discount prices, and also offering free repairs to those with a subscription to our Company's Premium Service (Monthly-membership maintenance services).

As a result of the above, our Company Group's net sales went up to 46,912 million yen (with an increase by 4.9% as compared with last year), operating income was 1,368 million yen (with an increase by 11.6% YoY), ordinary income was 1,509 million yen (with an increase by 15.6% YoY), net income for the year was 737 million yen (with an increase by 9.0% YoY), thus we managed to reach the highest level ever for net sales, operating income, and ordinary income.

1) PC Sales Business

Although for our Company that deals in relatively small number of products that are applicable under the governmental economic policy Echo Point System conditions had been quite severe, in the third quarter, as the contents of the system were modified resulting in a rush of demand in November, the number of customers, who came to the established stores in the third quarter increased to 100.2% of the corresponding period last year. However, in addition to refraining from buying personal computers in view of the sales of the new CPUs and parts manufactured by Intel (U.S.), these new products were often faulty resulting in suspension or delays, etc. of sales of new personal computers, due to which the sales at the established stores in the fourth quarter remained low at 92.4% (as compared to the corresponding period last year) and the number of customers, who came to the established stores, was 95.7% (also as compared to the corresponding period last year).

In terms of product sales, following the policy aiming at broadening the range of products offered in the area of Internet devices, we have increased the number of shops dealing in large-screen flat-panel television sets to 42 directly managed stores and 3 franchise stores, and also incorporated sales of smartphones (high-performance mobile phones) in all of the directly managed shops and certain franchise stores. In terms of services, we have strived to enliven the existing options in Premium Service, get the technical service and support for smartphones into stride, and expand the overall technical service menu offered at the stores. The data transmission services for personal computers of the MVNO (Mobile Virtual Network Operator: virtual mobile phone service company) showed steady results with the service sales of 127.1% as compared with last year, and, for the most part, yielded results as planned.

PC DEPOT has also opened two new stores, namely, Ichihara Interchange Store (Chiba Prefecture) opened in April, and Fuji Store (Shizuoka Prefecture) opened in December. Nagasaki Store (Nagasaki Prefecture) was relocated to larger premises in October, and Center Kita Store (Kanagawa Prefecture) was closed in August. The total number of stores of "PC DEPOT" in this consolidated accounting fiscal year end thus reached 65, of which 44 stores are directly managed, 4 stores are managed by a subsidiary, and 17 are franchise stores.

We have changed some of the counters of PC DEPOT PC Clinics (which offer repairs of personal computers, technical services and support) operating in volume electronics retailers from franchise system to direct management system, and are also conducting tests of direct management system at the newly opened stores. 13 such counters were opened in the end of the third quarter and 17 more in the fourth quarter, and by the end of this consolidated accounting fiscal year the total of such counters became 36 with 30 operating under direct management system and 6 under franchise system. Accordingly, the total number of PC DEPOT stores and PC DEPOT PC Clinics counters combined reached 101.

As a result of the above, the net sales of PC sales business went up to 44,822 million yen (with an increase by 5.6% as compared with the last year), and ordinary income went up to 1,305 million yen (with an increase by 31.5% YoY).

2) Internet Related Business

Due to a decrease of customers, who subscribed to the services offered by our main provider, and also due to a delay in the release of our new hosting service, sales have decreased, profits also decreased due to the prior investment accompanying development of the new service, resulting in a decrease in both income and profits.

As a result of the above, net sales of Internet related business went down to 2,090 million yen (with an 8.6% decrease as compared with last year), and ordinary income went down to 217 million yen (with a 32.4% decrease YoY).

(Forecast for the future)

As the concerns regarding stagnation of consumption activities resulting from uncertainties regarding the future after Eastern Japan Earthquake and undersupply of electric power after the earthquake persist, and economic environment surrounding shops specializing in personal computer is expected to aggravate further, severe conditions are expected to continue in the future.

In terms of prospects for the environment surrounding personal computers, the unit price of the products capable of receiving digital terrestrial television broadcasting (the so-called 'Chidigi') is expected to fall after July 24, 2011, when the switchover to digital terrestrial television broadcasting will be completed, but at the same time sales of a large variety of personal digital assistants, such as new smartphones, which are gaining more and more popularity, and also start of the full-scale sales of tablet PCs are raising high hopes in the industry.

To be fully prepared for these changes in the environment, our Company shall continue broadening the range of products offered in the area of Internet devices in the next consolidated fiscal year, and shall also expand the services to include not only personal computers but also high-performance personal digital assistants. Moreover, we shall further enrich the support system for the customers, who subscribed to our Premium Service, striving to improve the satisfaction rating of the existing members.

In terms of opening of new stores, we are planning to open 4 new stores directly managed by PC DEPOT, and 1 store managed by our subsidiary, PC DEPOT Kyusyu Co., Ltd. The areas for opening the stores will be as follows: Hachioji-shi, Tokyo (opened in April, 2011), Odawara-shi, Kanagawa, Maebashi-shi, Gunma, Tsukuba-shi, Ibaraki, and Kasuya-gun, Fukuoka. All 5 stores will be large. Also, Tomisato Interchange Store in Chiba Prefecture will be rebuilt with larger premises and is scheduled to be opened this autumn.

Two directly managed counters of PC DEPOT PC Clinic, for which we have been carrying out test operations, were opened in April (in Tochigi and Gunma Prefectures), and more than 20 counters are scheduled to be open within the next consolidated accounting fiscal year. This way we shall start full-fledged operations of the directly managed PC DEPOT PC Clinics counters, which together with PC DEPOT stores shall strengthen the presence of our store network in the Kanto Region, aiming at a further expansion of our shop network that shall enable us to help solve technical problems of even more PC and Internet users.

As is stipulated in our company's Statement of CSR Principles, our mission is to eliminate through operations of our stores the gaps (digital divide) that are generated within the information society due to age, sex, income, education, and area of residence. With this underlying philosophy in mind, we shall pursue the business management firmly based on the point of view of CSR, further expanding our store network, and enriching the range of products and services offered, striving to improve safety and reliability of personal computers, Internet, data, and network for ever larger number of people.

In our Internet related business, we shall promote business expansion by firstly taking over trade rights from the already established small and medium size ISP businesses, and also by increasing new services centering on cloud computing.

The consolidated earnings forecast for the full fiscal year ending March 2012 is as follows.
Consolidated net sales: 50 billion yen (with an increase by 6.6% as compared with last year).
Consolidated operating income: 1,670 million yen (with an increase by 22.0%).
Consolidated ordinary income: 1,750 million yen (with an increase by 15.9%).
Net income for the year: 790 million yen (with an increase by 7.1%)

The above values were estimated based on currently available information, which has many uncertainties. Actual business performance may be different from the above estimated values, due to the changes in the business environment, etc.

(2) Analysis of financial situation

1) Summary of the current fiscal year

The total assets as of the end of the current consolidated fiscal year were 19,728million yen, which is 1,774 million yen larger than the value as of the end of the previous year. The total liabilities were 10,195 million yen, which is 979 million yen larger than the value as of the end of the previous year. Net working capital (calculated by subtracting current liabilities from current assets) totaled 5,229 million yen, which indicates the soundness of our finance.

The total investment in equipment in the current consolidated fiscal year was 1,503 million yen. It was used mainly for establishing Ichihara Inter Store, Nagasaki Store, Fuji Store and other 4 new stores to be established. The investments were made with our won funds and loans.

2) Cash flows

The cash and the cash equivalent on consolidated basis in this consolidated fiscal year was 2,505 million yen with an increase by 751 million yen as compared with the end of the previous year (compared with a decrease of 48 million yen in the previous year).

In cash flow from operating activities, there was a payment of 615 million yen as income taxes, a decrease by 343 million yen in notes and account payable, and an increase of 281 million yen of note and account receivable. At the same time, there was an increase by 1,121 million yen (compared with an increase of 182 million yen in the previous year) coming from net income for the year before taxes of 1,328 million yen, depreciation and amortization of 595 million yen, and the goodwill write-off of 334 million yen.

Cash flow from investment activities decreased by 1,440 million yen resulting from the purchase of noncurrent assets of 1,451 million yen (compared with a decrease of 1,561 million yen in the previous year).

Cash flow from financing activities increased by 1,070 million yen (compared with an increase of 1,330 million yen in the previous year), since although the payment of 150 million yen in dividends was made, proceeds from sales of treasury stock amounted to 194 million yen, and an increase of loans by 1,037 million yen.

Reference: Trends in cash flow indicators

	FY2007	FY2008	FY2009	FY2010	FY2011
Shareholders’ equity ratio (%)	47.1	52.4	51.9	47.7	47.4
Shareholders’ equity ratio based on market value (%)	54.6	30.2	20.8	29.7	22.2
Interest-bearing debt to cash flow ratio (years)	-	0.6	0.7	18.7	4.0
Interest coverage ratio (times)	-	77.4	176.5	4.7	21.7

The above figures are calculated as follows:
Shareholders’ equity ratio: Shareholders’ equity/Total assets
Shareholders’ equity ratio based on market value: Market capitalization/Total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt/Operating cash flows
Interest coverage ratio: Operating cash flows/Interest payments
Notes:1. All indices are calculated based on consolidated figures.

2. Market capitalization is calculated based on the number of shares outstanding (excluding treasury stock).
3. Cash flows are calculated using the figures for operating cash flows in the consolidated statements of cash flows.
4. Interest-bearing debt includes all debt on the consolidated balance sheets that incur interest.
5. Interest-bearing debt to cash flow ratio and interest coverage ratio for FY2007 are not listed, because operating cash flows were negative.

(3) Basic policy on the distribution of profits and dividends for the current/next terms

One of our important missions is to return an appropriate amount of profit to shareholders. Our basic policy is to return profit through dividends that have long-term stability with a consolidated payout ratio of about 20%, while aiming to strengthen our financial systems and enrich our retained earnings and considering that our business expansion depends on our store management. Basically, we pay dividends for surplus money twice per year: interim and year-end dividends. These dividends are paid in accordance with the resolution by the board of directors, unless otherwise specified by law.

In addition, we plan to discuss the acquisition of treasury stock, as a flexible financial measure and a method for returning profit.

Based on the above policy, we set the dividend for surplus money as of the end of the current term at 350 yen, as specified first. Adding the interim dividend of 350 yen, the total dividend amount is 700 yen; the payout ratio is 20.5%.

As for the dividends for the next term, considering the necessity to enrich our retained earnings to expand our businesses, we plan to set the interim dividend at 350 yen and the year-end dividend at 350 yen, that is, the annual dividend at 700 yen. However, payout ratio and dividend, etc. may be revised, according to the change in our business performance.

As for the retained earnings, we will allocate them for strengthening our financial systems, opening new ‘PC DEPOT’ stores, renewing existing stores, strategic investments for enlarging stores, and opening ‘PC DEPOT PC Clinics (Technical service/Support counter for PCs)’, with the purpose of improving our business performance further.

(4) Business risks

PC DEPOT discusses below the major risk factors to its Group’s business performance, share price, or financial condition. From the viewpoint of pro-active disclosure to investors, PC DEPOT also includes factors that are not necessarily business risks but which it thinks are important for investors to know to make informed investment decisions and better understand its business activities. Because PC DEPOT recognizes the potential for these risks to materialize, it will strive to prevent their occurrence and prepare a speedy and appropriate response in the event that they do occur in order to avert any impact on the Company’s business activities.

Forward-looking statements are based on the judgment of management as of the submission of this report.

1) Business performance

I. PC Sales

The penetration rate of PCs, which are our leading products, for households exceeded 80%, and sales mainly occur when customers replace their PCs with new ones and purchase additional PCs. However, if the average unit price of PCs decreases significantly, there is a risk that our business performance will worsen and our leading products change suddenly.

II. Competition

Through the operation of our core business ‘PC DEPOT’, a chain of comprehensive PC and networking stores, we differentiates ourselves from volume electronics retailers by providing technical service and support in addition to offering a rich lineup of PC related merchandise at its large stores. Also, we open stores near volume electronics retailers to increase customer traffic through synergies. However, our company’s policy is to respond to price competition in the case that our competitors perform high discount sales of PCs. This could reduce the average selling price and lower the profitability of PC sales.

III. About the Premium Service (Monthly-membership maintenance services)

Our company offers the Premium Service to customers who demand continuous services, including technical service/support and network setting. We make efforts to improve our services and keep their quality so that customers can use PCs and the Internet safety without anxiety. If the subscribers to this service decreased suddenly, the business and performance of our corporate group may be affected.

IV. Business performance of subsidiaries

One subsidiary of PC DEPOT is involved in the Internet provider business. The Group’s business and performance could be impacted in the rare case that the subsidiary sees a sharp outflow of its provider subscribers.

V. About uncollectible accounts receivable

As part of the Premium Service, we lend equipment to subscribers. In the MVNO business (data communication), information terminals are sold on installment basis. Because the account receivable augments as such services increase, we strengthen our credit management so as not to increase uncollectible accounts. However, if uncollectible accounts become larger than expected, the business performance of our company may be affected.

VI. Franchise credit losses

PC DEPOT processes the procurement debts of franchise stores as accounts receivable-other (credit) and the credit card settlement amounts of franchise stores as deposits received (debt) in accordance with franchise contracts. This offset processing hedges some of the risk of credit losses, but PC DEPOT may not be able to recover all or some of the difference if the franchise store's parent body were to go bankrupt.

VII. Proprietary brand products

PC DEPOT's private brand "OZZIO" is our original brand. PC DEPOT adopts an "exclusive brand system" whereby it converts products developed and manufactured by their original equipment manufacturer to its own brand, and although manufacturing and aftermarket responsibilities lie with the manufacturer, PC DEPOT could be liable for damages beyond its duty as the seller of the products in the rare event that accidents or other issues arise with the products.

2) Store openings

I. New store openings

PC DEPOT's business performance relates closely to its new store openings. A change or delay in store opening plans could therefore impact the Group's business performance.

Similarly, a change or delay in the store opening plans of franchise stores could impact the Group's business performance.

II. Store closings

PC DEPOT will strive to quickly close stores if their profitability deteriorates due to intensifying market competition, in order to limit the negative impact to overall results as much as possible. However, losses from the store's closure, and/or losses from delays in opening a substitute store, could impact the Group's business performance.

III. Store rental

PC DEPOT generally signs rental contracts for the buildings in which its stores are located. All or a portion of guarantees and/or deposit money could become unrecoverable if the lessor were to go bankrupt.

IV. Changes to 'PC DEPOT PC Clinics' within retailers

As of the end of the consolidated fiscal year, 'PC DEPOT PC Clinics' (support counters offering technical service for personal computers) are operated in 30 directly managed stores. These PC DEPOT PC Clinics are located within the stores of K's Holdings Corporation. The Group's business and performance could be impacted in the case that the company experiences difficult in the continued operation of multiple stores due to closure of the stores or internal shops, etc.

V. Restrictions on opening stores in areas near franchise stores

PC DEPOT may be unable to open new stores in areas near franchise stores.

VI. Franchise store closings

In the case that a franchise store of 'PC DEPOT' is closed, issues arise concerning after-sales-service to customers who purchased merchandise from the store and Premium Service for members. If the franchise store is located outside of our area, the cost of after-sales-service and support cost may be increased. As a result, the selling, general and administrative expenses may be increased. The Group's business and performance could be impacted in that case.

3) Business structure

I. Dependence on president

President and Chief Executive Officer Takahisa Nojima is the founder of the PC DEPOT Group and has been its CEO since founding. Mr. Nojima has a wealth of experience and knowledge about the retail industry and volume electronics retailers in particular, and plays an extremely important role in decision-making and execution of management policy and business strategy. The Group is working to strengthen information sharing among directors and employee managers at board of director meetings, board of managing directors, management meetings, and other meetings, and strengthen management organization, to prepare a management structure that is not overly reliant on Mr. Nojima. However, the Group's business and performance could be impacted where Mr. Nojima unable to continue his activities at the Group for some reason.

II. Human resources

The PC DEPOT Group will need to further bolster its sales staff, technical staff, and its workforce in the store development department, service product planning & sales department, the administration department, and other group departments, to further expand the business and respond to the diversification of operations. However, the hiring of new graduates and mid-career workers, and human resources training, may not go as planned, creating problems in the appropriate allocation of human resources that reduces the Company's competitiveness and ability to expand operations, thereby impacting the Group's business and performance.

III. About the increase in internet devices (products that can be connected to the Internet) other than PCs.

As the highly-functional digital terrestrial PCs or tablet PCs were released, the demand for “replacement” and “additional purchase”, etc. contributed to the increase in the shipment volume of PCs in Japan. However, as an increasing number of internet devices including television sets and smartphones, there is a possibility that the sales volume of PCs will decrease and the business and performance of our corporate group will be affected.

IV. Software used to provide technical service and support

The PC DEPOT Group strives to improve the safety of PCs, Internet, data and network, but the possibility exists that an unforeseen virus could infect the software it uses to provide technical service and support at the ‘PC Clinic’, or the software it provides in the ‘Premium Service’.

PC DEPOT would make a priority of resolving and tackling the problem if it occurred, but this could be very costly and a virus and/or other problems could cause a significant decline in the number of the Premium Service members, thereby impacting the Group's business and performance.

V. Maintenance cost for Premium Service (Monthly-membership maintenance services)

Our Group continuously provides maintenance services to Premium Service members. In the case that trouble occurs in the member's internet or network environment, an occasional expense might be required in order to rectify the trouble, thereby impacting the Group's business and performance.

VI. MVNO

PC DEPOT from April 2009 became a mobile virtual network operator (MVNO) in which it re-sells mobile services to customers using the networks of existing telecommunications companies. PC DEPOT books a certain level of sales, and provides monthly-rate services to customers. However, its telecommunications sales and related service sales could decline if the networks of existing telecommunications companies are interrupted or suspended, thereby impacting the Company's business performance.

VII. Delays in developing service products

The PC DEPOT Group develops and provides its own distinct service products in the field of technical service, support and the Premium Service. Delays in developing and providing service products could lower the Group's competitiveness, thereby impacting its business and performance.

VIII. Mistakes in returning products to their proper owners and procedural mistakes

PC DEPOT receives customers' PCs at its stores in order to provide inspection and repair services to answer their cries of “Help!”

There is the possibility that the Company could make a mistake in returning products received from customers to their proper owners, or make mistakes in fixing products. The Company uses store oversight to prevent and curb such mistakes from occurring, but in the rare event that such a mistake occurs, damage claims may be made which could impact the Group's business and performance.

4) System failure

POS system failure caused by natural disasters (earthquakes, etc.) or a computer virus could suspend store operations.

Also, system failure related to the Premium Service or the provider business of a subsidiary could interrupt the Group's ability to provide these services.

This could damage the Group's credibility and/or cause it to lose business opportunities, thereby impacting its business and performance.

5) About legal regulations

I. Large-Scale Retail Stores Location Law

Our 'PC DEPOT' stores are located along main roads, and their acreage is 500 -1,000 tsubo (1,650-3,300 m^2). When a store with a selling floor area of over 1,000 m^2 (approximately 300 tsubo) is opened of enlarged, it may be restricted by the law.

In detail, the inspection conducted in accordance with the law may delay the opening of new stores and the enlargement of existing stores, affecting our store operation strategies as well as our business performance.

<Outline of Large-Scale Retail Stores Location Law>

Gist: In order to harmonize large-scale stores with local community, it is necessary to cope with the influence of crowd and material flow around large-scale stores on the surrounding living environment, including traffic and environmental issues, and so this law specifies municipal procedures, etc. so as to harmonize large-scale stores with the surrounding environment, while considering the opinions of local residents.

Outline 1. This law is targeted at large-scale stores with a selling floor area of over 1,000m^2. The following items regarding the harmony with local community and regional development are to be adjusted.

a) Items to be considered for satisfying the demand for parking, securing the convenience of local residents and commercial convenience (e.g. traffic jam, car and bicycle parking, and traffic safety)

b) Items to be considered for avoiding the worsening of the surrounding living environment, including the generation of noise.

2. This law is enforced by prefecture governments and government-designated cities, while reflecting the opinions of municipalities and providing a broad range of citizens with the chance to express their opinions.

II. Others

Our company abides by various legal restrictions in addition to the above law, and obtains necessary permissions and approvals, to conduct our businesses. Accordingly, if legal regulations or ordinances are amended unexpectedly, we may incur new costs and the business and performance of our corporate group may be affected.

6) Brand

PC DEPOT is the franchise headquarters that provides PCs and related merchandise and technical services and supports. Trouble at companies with which it concludes franchise contracts could lower the brand image of the overall Group, which in turn could diminish trust in the Group, cause an outflow of human resources, and make it difficult to retain human resources, thereby impacting the Group's business and performance.

7) About similar business models

Our original businesses, including technical service and support and the Premium Service as a chain of comprehensive PC/networking stores and the MVNO business (service-added communications) account for part of our sales and profit. We make efforts to legally protect intellectual property, such as system patents, in various ways, but our intellectual property is not fully protected. Therefore, if our competitors imitate our businesses infringing our intellectual property and business competition becomes fierce, our performance may be affected. In addition, if another firm imitates our businesses in a wrong way, it may degrade the reliability and image of our company.

8) Internal administrative system

The PC DEPOT Group is working to develop internal control for compliance. To establish a more thorough internal administrative system, it has established a General audit and internal control office, and confirms the compliance posture of board directors, executive officers, and employees regarding the conducting of corporate activities with high ethical principles by having them sign oaths and confirmation documents.

However, in the rare event that directors or employees engage in activities that violate laws and regulations intentionally or due to negligence, this could impact the Group's business and performance.

9) Protection of personal information

The PC DEPOT Group pays careful attention to the protection of personal information, strengthening its personal information administrative system, and limiting access to personal information acquired and held by the Group. In particular, the ejworks Corporation, a subsidiary, properly administers personal information, complying as a telecommunications company with the Personal Information Protection Law, and the Guidelines on the Protection of Personal Information in the Telecommunications Industry formulated by the Ministry of Internal Affairs and Communications.

Store operations are conducted according to the basic principle regarding personal information of "Don't ask, don't hold, and don't bring in". Also, call centers for the Premium Service handle personal information strictly according to certain rules including restrictions on entry/exit and who is allowed to access personal information.

However, the possibility is not zero that personal information might leak outside and/or be misused either intentionally or unintentionally by persons affiliated with the PC DEPOST Group. In the rare event that such a situation occurs, the Group's credibility would be seriously diminished, thereby impacting its business activities.

10) M&A activity

The PC DEPOT Group, in addition to selling PCs and other related merchandise, contributes to local communities by providing technical services and supports including free diagnosis. The Group may be considered to be in the same industry as volume electronics retailers, but it provides distinct services within the industry, and differs substantially in terms of size relative to its peers. There is a risk, therefore, that it could be acquired by industry peers, and this could impact the Group's business and performance.

11) Natural disasters

Natural disasters (earthquakes, typhoons, etc.) that occur in regions where the PC DEPOT Group or franchises operate stores could damage stores and/or cause vacancies in positions due to the death or injury of directors or employees. This could cause ales to decline, and new costs to emerge to restore stores to their original state and replenish the workforce, thereby impacting the Group's business and performance.

Fortunately, our Group was not seriously affected by the earthquake hit eastern Japan on March 11, 2011, however, in order to prepare against future disaster, we enhance the crisis-management system through reviewing the 'Disaster Preparation Manual', etc.

12) Domestic pandemic from new influenza viruses

Besides the seasonal flu, a global pandemic from new influenza viruses could break out, and if this increased the number of infected people in Japan to a dangerous level, some stores operated by the Group – and perhaps the entire store network – might suspend their operations. In addition, subsidiaries might be unable to continue business for a certain period. This could have a major impact on the Group's business and performance.

13) Directors

I. Shares owned by the President and CEO

Takahisa Nojima, President and Chief Executive Officer of PC DEPOT, owned 41.37% of the Company's outstanding shares at the end of March 2011, and in the rare event that something were to happen to the president and his shareholdings were to be sold on the market, this could impact the price formation of the Company's share.

II. Relatives of the President and CEO

Takahisa Nojima, President and Chief Executive Officer of PC DEPOT, is the younger brother of Mr. Hiroshi Nojima, the Director and Representative Executive Officer of NOJIMA CORPORATION (base in Yokohama, Kanagawa Prefecture), and is a major shareholder of the said company's share. The two companies compete with one another in the sale of PCs and related merchandise, but the two groups have no business relationship whatsoever.

2. Corporate Group

(1) Business content

The PC DEPOT Group consists of PC DEPOT CORPORATION ("the Company") which submits these consolidated financial statements, 3 subsidiaries (ejworks corporation, BB Marketing Corp. and PC DEPOT KYUSYU CORPORATION), and 1 affiliate (KITAMURA PC DEPOT CORPORATION) whose primary business is to provide IT solutions to all PC and/or internet devises users.

Below is a description of the positioning of companies within the Group, and relationships among different business segments. This shows the same classification with business segments.

1) PC Sales Business

Our company operates the community-based chain store "PC DEPOT", whose business is to sell PCs and related products and offer technical services and supports for home users, under the concept of "affordable, reliable, convenient, and thoughtful". Our main lines of business are; PCs, smartphones, tablet PCs, internet devises such as TV, etc., peripherals, network devises, OA devises, and secondhand products, etc. We also offer technical services and supports, provider and MVNO services (data communication), and the Premium Service (monthly-membership maintenance services), etc.

The Company operates 44 directly-managed stores as of the end of the current consolidated fiscal year in Kanagawa, Tokyo, Chiba, Saitama, Shizuoka, Gunma, Tochigi, and Ibaraki prefectures, 4 subsidiaries stores (PC DEPOT KYUSYU CORPORATION) in Kyusyu regions, 17 franchise stores in the Tohoku, Chubu, Kinki, Chugoku, Shikoku regions, 65 stores in total throughout Japan.

The number of "PC DEPOT PC Clinics (technical service and support counter for PCs)" stores opened as franchises within volume electronics retailers are 6 stores at the end of the fiscal year, 30 directly-managed stores have started the test operation since September 2010, 36 stores are operated in total.

The Group books only sales from directly-managed stores income from royalties from franchise stores in its sales figures, and does not include product supply sales to franchise stores.

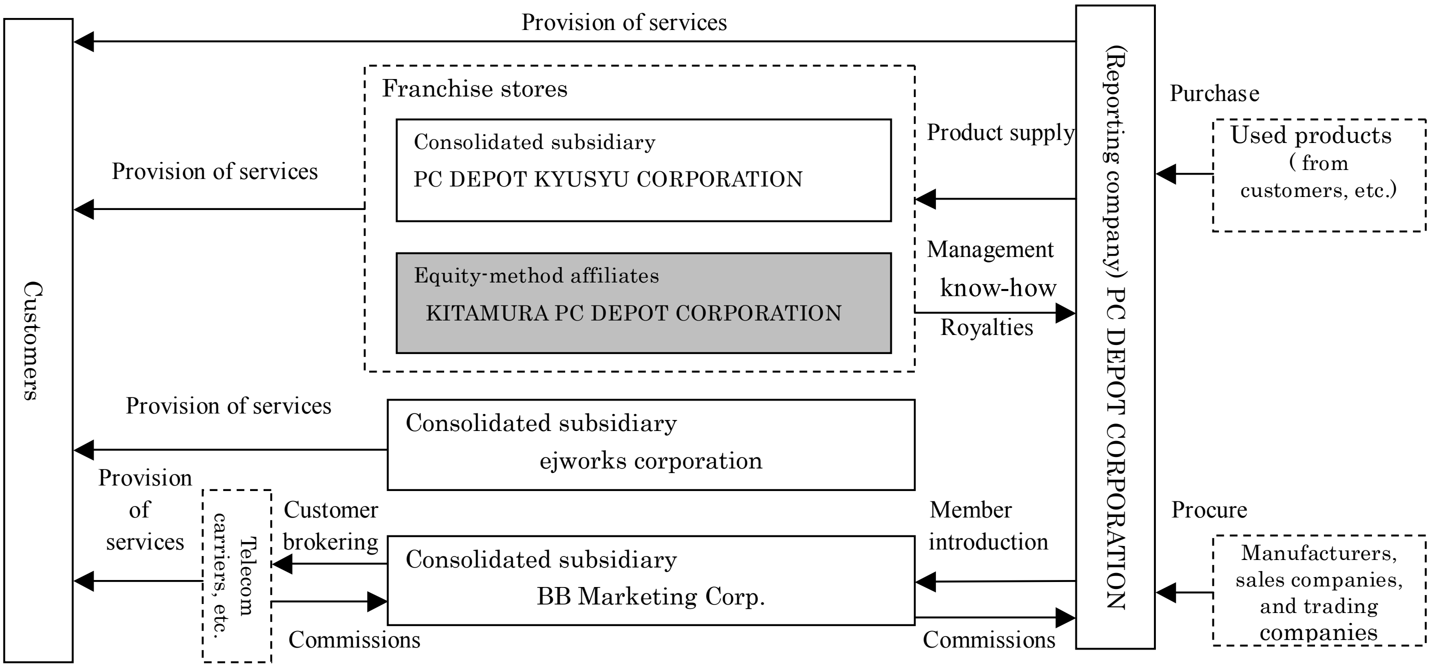
The Company's subsidiary, BB Marketing Corp. operates sales agencies that handle subscription applications for Yahoo!BB and provides customer brokering services for Yahoo!BB lines mainly to PC DEPOT.

2) Internet-related business

As for subsidiary, ejworks corporation operates an Internet service provider business, Web production and other IT solution business.

[Business Diagram]

This is a business diagram of the items described below.



[Status of affiliated companies]

Name	Address	Capital or investment (thousand yen)	Main businesses	Voting right ratio (%)	Remarks
(Consolidated subsidiary) ejworks corporation (Note 2)	Kouhoku-ku, Yokohama-shi	211,068	Internet service provider business	94.2	Agency for customers Charging system outsourcing
(Consolidated subsidiary) BB Marketing Corporation	Kouhoku-ku, Yokohama-shi	100,000	Agency business related to the procedures for subscribing to Yahoo BB services	65.0	Agency for subscribing to Yahoo BB services 1 part-time director
(Consolidated subsidiary) PC DEPOT KYUSYU CORPORATION (Note 2)	Kohoku-ku, Yokohama-shi	240,000	Retailing of PCs and related products	100.0	Supply products Provide operation know-how Financial support 2 part-time directors
(Equity method affiliate) KITAMURA PC DEPOT CORPORATION	Kochi-shi, Kochi Prefecture	310,000	Retailing of PCs and related products	40.0	Supply products Provide operation know-how

Note 1: There are no companies that submitted financial reports.

Note 2: It corresponds to a specific subsidiary.

3. Management Policies

(1) Basic management policy

PC DEPOT's basic philosophy is "the Company exists for customers", "individual growth translates into growth for the Company", and "growth for the Company contributes to society". Its basic management policy is to 1) provide products and services that satisfy as many customers as possible, 2) have respect for self-development and merit backed by a vision of a retailing professional, and 3) become an essential company that produces results recognized by society and its helpful to the local community.

Based on this basic policy, the Company aims as a roadside PC and networking comprehensive retailer to develop stores that satisfy customers by ensuring a lineup of merchandise that meet the needs of primarily home users from beginners to advanced users, and build stores that are the largest in their respective region. In addition, many problems arise in using PCs such as breakdowns, virus infections, data damage, and the necessity for various settings. The Company aims to meet demand for specialized technical services and supports to resolve such problems by establishing PC Clinics in all its stores to improve the safety of local customers' PCs, Internet, data, and networking.

Specifically, it aims to capture new customers that are feeling inconvenienced by providing free diagnosis offering a large service menu. Also, to meet demand for ongoing technical services and supports, it offers a unique "Premium Service" (monthly-membership maintenance services) to boost service sales, improve customer satisfaction, and raise productivity.

Through the sale of these products and services and the development of stores that meet the needs of local communities, the Company aims to create stores that customers can feel offer " attractive prices, safety, convenience and kindness".

Also, with the growing rate of the PCs and the internet, in addition to the franchised 'PC DEPOT PC Clinics' (support counters offering technical service for personal computers) that provides maintenance and technical services and supports for PCs, directly-managed stores have started its test operation since September 2010 in order to meet the customers' requirement for technical services and support,

In the Internet-related business as well, the Company focuses on responding to cries of "Help" from PC users, and as an Internet comprehensive services operator, on providing solutions and supporting customers' Internet usage.

The Company aims to create a challenging corporate culture where all employees view contribution to society as a common value, and where a spirit of public service and professional growth is cultivated.

Through these efforts, we hope to improve our potential and productivity, maximize our corporate value, and meet the expectations from shareholders.

(2) Performance targets

Our corporate group emphasizes consolidated ordinary profit and ROE as the management indicators for maximizing our corporate value, and aims to achieve over 9% of ROE.

(3) Medium to long-term business strategy

PC DEPOT believes that constant change is important. It will continue to promote store management supported by customers, and aims to expand the size of its business and create a lean corporate structure. It looks to expand market share by growing its unique business model fusing products, services, and membership support, and by expanding its area coverage through operating of dominant stores and franchise stores. It aims to make the company Japan's No.1 IT solutions store while contributing to local society.

(4) Challenges

Major issue for our corporate group is described as below.

1)Expansion of the store network

As the penetration rate of PCs for household reached 80% and PCs are now used on a daily basis, diversifying customers' needs, our company aims to open new stores of "PC DEPOT" with strategic dominance, enlarge stores with scrap & build, promote the opening of directly-managed 'PC DEPOT PC Clinics' (support counters offering technical service for personal computers) and operation of the franchised businesses, and provide local customers with the environment in which they can use PCs and the Internet without anxiety.

2) Falling average selling prices

After July 24, 2011, as switchover to the digital terrestrial broadcasting will be completed, the digital terrestrial supported PCs and related products, tablet PCs (multifunctional mobile terminal) will be released, thereby the unit price of such items are estimated to decrease.

Also, the Smartphone (multifunctional mobile terminal) which gaining popularity, unlike the conventional cell phones, has universal functions, therefore, it may lower the price of terminals in the time to come.

On the other hand, as products that can be connected to the internet are increasing, we will introduce such products and related services, etc. proactively, and propose new product genres.

3) Improvement in the safety of store operation

An increasing number of accidents occur in our stores. Considering that the risk of accidents augments as stores and employees increase, it is important to avoid them.

Accordingly, Cyber Sheriff Center (store risk control section) of the headquarters patrol stores nationwide (visual patrol with in-store cameras based on broadband). The Cyber Sheriff Center also quickly responded to new influenza, and the earthquakes that hit eastern Japan on March 11, 2011.

Our Company operates stores and avoids the risk of accidents, etc. under the concept of “prioritizing safety over costs”.

4) Expansion of service products

As the Internet devices (products that can be connected to the Internet) are increasing, household products, including PCs, smartphone and games, are becoming wireless and connectable to the Internet. Our company will enrich our service systems so that customers can use PCs and Internet devises safely without anxiety, and keep offering troubleshooting service to answer their cries of “Help!”

In addition, we will improve the contents of the Premium Service (monthly-membership maintenance services) for customers who demand continuous maintenance, in order to cope with such a change in demand.

5) Quality management of stores

We operate “PC DEPOT” as well as “PC DEPOT PC Clinics” and so it is important to manage the quality of each store. It is essential to conduct thoroughgoing quality control in addition to producing manuals and educating employees. To do so, we will strengthen the auditing of all store of “PC DEPOT” and “PC DEPOT PC Clinics”.

6) Increase in store opening expenses

PC DEPOT plans to continue opening new “dominant” stores primarily in the Kanto region. PC DEPOT previously opened stores with average sales floor space of 900 square meters, but will move to increase the number of large-sized stores primarily through new store openings. In addition to increase in rent expenses and personnel expenses due to increasing in the number of large-sized stores, because the Company opened 30 directly-managed “PC DEPOT PC Clinics” since September 2010, increase in the stores opening and operation costs are concerned, however, the Company plans to tamp down increases in selling, general and administrative expenses via improvements in the cost structure.

7) Securing human resources for store network expansion

The outlook for the business environment does not warrant optimism given competition among industries and formats including competition between companies and among Internet retailers and manufacturers that sell directly.

As the store network expands, PC DEPOT believes that securing human resources, and sales staff and engineers in particular, is an important challenge, and aims to secure stable human resources through the conversion of part-timers and contract workers into regular employees. It will also strive to improve the quality of its human resources by expanding educational activities that previously targeted mainly regular employees to include part-timers as well.

8) Fortification of organizational strength to tolerate business expansion

Our core business is to offer PC-related products and services, but we plan to develop new products and services, as products that can be connected to the Internet are increasing. To realize it, we will develop personnel systems for motivating employees and part-time workers, clarify the responsibilities and authorities of individual employees and divisions, and improve recruitment systems, fortifying organizational strength.

9) Promotion of corporate social responsibility (CSR) activities

Our company operates a chain of comprehensive PCs and networking stores, and considers that we need to keep in mind our social missions and do business administration from the viewpoint of CSR. The basic policy for CSR is to eliminate the digital divide in the information society due to the difference in "age, gender, income, education, and residence", etc. via our stores.

Under this policy, we have PC Clinic in every PC DEPOT store to answer customers' cry for "Help!", also started test operations of directly-managed "PC DEPOT PC Clinics" since September 2010, in order to provide further technical services and supports. The PC Clinics diagnose any PCs customers purchased anywhere for free, regardless of customer's age, gender, income, etc., in order to improve the safety of PCs, the Internet, data, and networking in every region.

Also, we offered preferential treatment and discounts on both the first aid treatment and the repairs of personal computers for those, who suffered damages in the Eastern Japan Earthquake disasters that occurred on March 11, 2011.

We make efforts to improve our sociality by offering every kind of solution, so that local customers think that our stores are indispensable.

10) Energy saving operation

After the Eastern Japan Earthquake on March 11, 2011, we are also doing our share in power-saving by shortening the business hours, not switching on the signboard lights during the evening and the nigh hours, reducing the lighting intensity inside the shops, adjusting the temperature of air-conditioners, and reducing the number of appliances switched on for display purposes.

4. Consolidated Financial Statements

(1) Consolidated balance sheets

(Thousands of yen)

	FY2009 (As of Mar. 31, 2010)	FY 2010 (As of Mar. 31, 2011)
Assets		
Current assets		
Cash and deposits	1,753,981	2,505,003
Accounts receivable-trade	2,251,074	2,532,713
Inventories	*1 5,315,725	*1 5,500,066
Accounts receivable-other	*2 624,370	*2 546,343
Deferred tax assets	167,163	187,023
Other	412,247	433,785
Allowance for doubtful accounts	(13,106)	(26,564)
Total current assets	10,511,455	11,678,371
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,679,909	3,808,833
Accumulated depreciation	(766,465)	(1,031,841)
Buildings and structures, net	1,913,444	2,776,991
Tools, furniture and fixtures	1,557,661	1,754,765
Accumulated depreciation	(1,074,658)	(1,280,783)
Tools, furniture and fixtures, net	483,002	473,981
Construction in progress	344,153	221,452
Other	105,010	264,921
Accumulated depreciation	(1,630)	(1,719)
Other, net	103,379	263,201
Total property, plant and equipment	2,843,979	3,735,627
Intangible assets		
Goodwill	1,024,972	690,338
Other	260,913	352,189
Total intangible assets	1,285,885	1,042,528
Investment and other assets		
Investment securities	*3 279,708	*3 281,176
Deferred tax assets	71,178	140,404
Guarantee deposits	1,478,521	1,439,986
Lease deposits	1,328,826	1,233,840
Other	178,635	176,995
Allowance for doubtful accounts	(23,992)	-
Total investments and other assets	3,312,878	3,272,403
Total non-current assets	7,442,743	8,050,559
Total assets	17,954,199	19,728,930

(Thousands of yen)

	FY2009 (As of Mar. 31, 2010)	FY 2010 (As of Mar. 31, 2011)
Liabilities		
Current liabilities		
Accounts payable-trade	2,764,150	2,420,785
Short-term loans payable	800,000	700,000
Current portion of long-term loans payable	690,252	1,004,253
Accounts payable-other	*1 1,215,712	*2 1,087,926
Income taxes payable	391,304	442,938
Provision for bonuses	98,050	118,246
Provision for merchandise warranties	33,615	54,555
Other	479,904	620,184
Total current liabilities	6,472,989	6,448,890
Non-current liabilities		
Long-term loans payable	1,936,247	2,759,494
Long-term accounts payable-other	123,799	121,954
Provision for retirement benefits	2,727	5,701
Provision for directors' retirement benefits	22,911	24,117
Asset retirement obligations	-	188,288
Long-term guarantee deposited	657,507	647,349
Total non-current liabilities	2,743,192	3,746,905
Total liabilities	9,216,181	10,195,795
Net assets		
Shareholders' equity		
Capital stock	1,601,196	1,601,196
Capital surplus	1,888,605	1,868,598
Retained earnings	5,468,659	5,984,350
Treasury stock	(411,462)	(125,595)
Total shareholders' equity	8,546,999	9,328,550
Other comprehensive incomes		
Valuation difference on available-for-sale securities	23,207	22,454
Total of other comprehensive income	23,207	22,454
Subscription rights to shares	-	9,987
Minority interests	167,811	172,142
Total net assets	8,738,017	9,533,134
Total liabilities and net assets	17,954,199	19,728,930

(2) Consolidated statement of income and consolidated statement of comprehensive income

(Consolidated statement of income)

(Thousands of yen)

	FY2009 (Apr. 1, 2009 - Mar. 31, 2010)	FY2010 (Apr. 1, 2010 - Mar. 31, 2011)
Net sales	44,740,133	46,912,722
Cost of sales	*1 33,182,396	*1 33,272,889
Gross profit	11,557,737	13,639,833
Selling, general and administrative expenses		
Advertising expenses	1,259,377	1,369,484
Sales commission	397,377	464,956
Directors' compensations	134,967	131,257
Salaries and allowances	2,876,980	3,491,595
Bonuses	264,019	294,325
Provision for bonuses	98,050	118,246
Retirement benefit expenses	48,077	48,355
Provision for directors' retirement benefits	8,788	4,691
Supplies expenses	418,839	440,811
Depreciation	432,858	525,671
Amortization of goodwill	344,439	334,634
Rent expenses on real estates	1,794,203	1,941,215
Other	2,253,279	3,106,162
Total selling, general and administrative expenses	10,331,259	12,271,408
Operating income	1,226,477	1,368,425
Non-operating income		
Interest income	5,081	4,005
Dividends income	1,790	1,790
Sales incentives	73,294	75,846
Rent income	94,678	89,129
Commission fee	37,893	40,087
Investment gains on equity method	-	1,094
Other	59,145	73,700
Total non-operating income	271,883	285,654
Non-operating expenses		
Interest expenses	38,664	51,760
Rent expenses	126,076	85,671
Equity in losses of affiliates	19,494	-
Commission paid	1,092	-
Other	6,852	6,860
Total non-operation expenses	192,181	144,292
Ordinary income	1,306,179	1,509,787

(Thousands of yen)

	FY2009 (Apr. 1, 2009 - Mar. 31, 2010)	FY2010 (Apr. 1, 2010 - Mar. 31, 2011)
Extraordinary income		
Gain on transfer to defined contribution pension plan	39,481	-
Gain on sales of investment securities	1,287	-
Other	-	202
Total extraordinary income	40,768	202
Extraordinary loss		
Impairment loss	*3 13,595	*3 5,006
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	120,642
Loss on retirement of noncurrent assets	*2 7,608	*2 17,121
Loss on closing of stores	28,390	-
Penalty income cancellation, etc.	32,000	-
Loss on casualty	-	33,147
Other	-	5,924
Total extraordinary losses	81,594	181,843
Income before income taxes and minority interests	1,265,354	1,328,146
Income taxes-current	576,852	664,165
Income taxes-deferred	(11,191)	(89,683)
Total income taxes	565,660	574,482
Income before minority interest	-	753,663
Minority interest in income	22,861	15,690
Net income	676,831	737,972

(Consolidated comprehensive statement of income)

(Thousands of yen)

	FY2009 (Apr. 1, 2009 - Mar. 31, 2010)	FY2010 (Apr. 1, 2010 - Mar. 31, 2011)
Income before minority interest	-	753,663
Other comprehensive incomes		
Valuation difference on available-for-sale securities	-	(753)
Total of other comprehensive income	-	*2 (753)
Comprehensive income	-	*1 752,910
(Breakdown)		
Comprehensive income relating to shareholders of parental company	-	737,219
Comprehensive income relating to minority shareholders	-	15,690

(3) Consolidated statement of changes in net assets

(Thousands of yen)

	FY2009 (Apr. 1, 2009 - Mar. 31, 2010)	FY2010 (Apr.1, 2010 - Mar. 31, 2011)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	1,601,196	1,601,196
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	1,601,196	1,601,196
Capital surplus		
Balance at the end of previous period	1,888,605	1,888,605
Changes of items during the period		
Disposal of treasury stock	-	(20,006)
Total changes of items during the period	-	(20,006)
Balance at the end of current period	1,888,605	1,868,598
Retained earnings		
Balance at the end of previous period	4,944,667	5,468,659
Changes of items during the period		
Dividends from surplus	(152,839)	(151,044)
Net income	676,831	737,972
Disposal of treasury stock	-	(71,238)
Total changes of items during the period	523,992	515,690
Balance at the end of current period	5,468,659	5,984,350
Treasury stock		
Balance at the end of previous period	(186,226)	(411,462)
Changes of items during the period		
Purchase of treasury stock	(225,236)	-
Disposal of treasury stock	-	285,867
Total changes of items during the period	(225,236)	285,867
Balance at the end of current period	(411,462)	(125,595)
Total shareholders' equity		
Balance at the end of previous period	8,248,243	8,546,999
Changes of items during the period		
Dividends from surplus	(152,839)	(151,044)
Net income	676,831	737,972
Purchase of treasury stock	(225,236)	-
Disposal of treasury stock	-	194,622
Total changes of items during the period	298,755	781,551
Balance at the end of current period	8,546,999	9,328,550

(Thousands of yen)

	FY2009 (Apr. 1, 2009 - Mar. 31, 2010)	FY2010 (Apr. 1, 2010 - Mar. 31, 2011)
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(5,941)	23,207
Changes of items during the period		
Net changes of items other than shareholders' equity	29,148	(753)
Total changes of items during the period	29,148	(753)
Balance at the end of current period	23,207	22,454
Total of other accumulated comprehensive income		
Balance at the end of previous period	(5,941)	23,207
Changes of items during the period		
Net changes of items other than shareholders' equity	29,148	(753)
Total changes of items during the period	29,148	(753)
Balance at the end of current period	23,207	22,454
New share subscription rights		
Balance at the end of previous period	-	-
Changes of items during the period		
Net changes of items other than shareholders' equity	-	9,987
Total changes of items during the period	-	9,987
Balance at the end of current period	-	9,987
Minority interests		
Balance at the end of previous period	149,713	167,811
Changes of items during the period		
Net changes of items other than shareholders' equity	18,098	4,330
Total changes of items during the period	18,098	4,330
Balance at the end of current period	167,811	172,142
Total net assets		
Balance at the end of previous period	8,392,014	8,738,017
Changes of items during the period		
Dividends from surplus	(152,839)	(151,044)
Net income	676,831	737,972
Purchase of treasury stock	(225,236)	-
Disposal of treasury stock	-	194,622
Net changes of items other than shareholders' equity	47,247	13,565
Total changes of items during the period	346,002	795,116
Balance at the end of current period	8,738,017	9,533,134

(4) Consolidated statements of cash flows

(Thousands of yen)

	FY2009 (Apr.1,2009 - Mar. 31,2010)	FY2010 (Apr.1,2010 - Mar.31,2011)
Cash flow from operating activities		
Income before income taxes	1,265,354	1,328,146
Depreciation and amortization	512,663	595,732
Amortization of goodwill	344,439	334,634
Increase (decrease) in allowance for doubtful accounts	3,815	13,457
Increase (decrease) in provision for bonuses	11,743	20,196
Increase (decrease) in provision for directors' retirement benefits	(135,923)	1,206
Increase (decrease) in provision for retirement benefits	(24,990)	2,974
Loss (gain) on sales of investment securities	(1,287)	-
Increase (decrease) in provision for merchandise warranties	(16,170)	20,940
Interest and dividends income	(6,872)	(5,796)
Interest expenses	38,664	51,760
Foreign exchange losses (gain)	516	939
Equity in (earnings) losses of affiliates	19,494	(1,094)
Impairment loss	13,595	5,006
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	120,642
Retirement non-current assets expenses	7,608	17,121
Loss on closing of stores	28,390	-
Decrease (increase) in notes and accounts receivable-trade	(356,772)	(281,639)
Decrease (increase) in inventories	(564,243)	(184,340)
Decrease (increase) in accounts receivable-other	10,345	78,027
Increase (decrease) in notes and accounts payable-trade	28,941	(343,364)
Increase (decrease) in accounts payable-other	(348,993)	(159,875)
Decrease (increase) in other assets	(36,253)	(19,824)
Increase (decrease) in other liabilities	40,714	141,455
Other	(2,085)	52,779
Subtotal	832,694	1,789,087
Interest and dividends income received	4,917	1,830
Interest expense paid	(40,566)	(53,474)
Income taxes paid	(614,194)	(615,533)
Net cash provided by (used in) operating activities	182,850	1,121,909

(Thousands of yen)

	FY2009 (Apr.1,2009 - Mar.31,2010)	FY2010 (Apr.1,2010 - Mar.31,2011)
Cash flow from investing activities		
Purchase of property, plant and equipment	(1,346,975)	(1,287,999)
Purchase of intangible assets	(56,172)	(163,019)
Proceeds from sales of investment securities	2,250	-
Proceeds from purchase of investments in subsidiaries resulting in change of scope of consolidation	*2 3,552	-
Payments for lease and guarantee deposits	(275,135)	(91,276)
Proceeds from collection of lease and guarantee deposits	98,044	144,683
Repayments of guarantee deposits received	(10,158)	(10,158)
Proceeds from guarantee deposits received	6,000	-
Other	17,263	(32,424)
Net cash provided by (used in) investing activities	(1,561,332)	(1,440,194)
Cash flow from financing activities		
Increase in short-term loans payable	4,960,000	10,900,000
Decrease in short-term loans payable	(4,520,000)	(11,000,000)
Proceeds from long-term loans payable	1,900,000	1,950,000
Repayment of long-term loans payable	(625,173)	(812,752)
Payments for purchase of treasury stock	(225,236)	-
Proceeds from disposal of treasury stock	-	194,622
Cash dividends paid	(154,347)	(150,263)
Cash dividends paid to minority shareholders	(4,763)	(11,360)
Net cash provided by (used in) financing activities	1,330,479	1,070,247
Effect of exchange rate change on cash and cash equivalents	(516)	(939)
Net increase (decrease) in cash and cash equivalents	(48,519)	751,022
Cash and cash equivalents at beginning of period	1,802,500	1,753,981
Cash and cash equivalents at end of period	*1 1,753,981	*1 2,505,003

(5) Going Concern Assumption

FY2009 (Apr. 1, 2009 – Mar. 31, 2010)

Not applicable.

FY 2010 (Apr. 1, 2010 – Mar. 31, 2011)

Not applicable.

(6) Significant Accounting Policies in the Preparation of Consolidated Financial Statements

Item	FY2009 (Apr.1, 2009 - Mar.31, 2010)	FY2010 (Apr.1, 2010 – Mar. 31, 2011)
1. Scope of consolidation	(1) Number of consolidated subsidiaries: 3 ejworks corporation BB Marketing Corp. PC DEPOT KYUSYU CORPORATION From the current consolidated fiscal year, PC DEPOT Max Co., Ltd., which was our equity-method affiliate, has been become our subsidiary as a result of acquisition of additional stocks. Thus, financial results of this company are included in the consolidated financial statements. The PC DEPOT Max Co., Ltd., has changed its name to PC DEPOT KYUSYU CORPORATION. (2) Number of non-consolidated subsidiaries: None.	(1) Number of consolidated subsidiaries: 3 ejworks corporation BB Marketing Corp. PC DEPOT KYUSYU CORPORATION (2) Same as on the left.
2. Application of equity method	(1) Number of affiliates accounted for under equity method: 1 Name of companies: KITAMURA PC DEPOT CORPORATION Changes in the equity-method affiliates From the current consolidated fiscal year, the PC DEPOT Max Co., Ltd has been excluded from the equity-method range because it has become our subsidiary as a result of acquisition of additional stocks. (2) Affiliates not accounted for under equity method: None.	(1) Number of affiliates accounted for under equity method: 1 Name of companies: KITAMURA PC DEPOT CORPORATION (2) Same as on the left.
3. Fiscal year of consolidated subsidiaries	The fiscal years of consolidated subsidiaries end on the closing date of consolidated financial statements.	Same as on the left.

Item	FY2009 (Apr.1, 2009 - Mar.31, 2010)	FY2010 (Apr.1, 2010 – Mar. 31, 2011)
4. Accounting standards		
(1) Valuation standards and methods for principal assets	(1) Marketable securities Available-for-sale securities Securities with market quotations Stated at fair value at the end of the fiscal year. (Unrealized gain or loss is included in net assets. Cost of securities sold is determined by the moving-average method.) Securities without market quotations Stated at cost determined by the moving-average method.	(1) Marketable securities Available-for-sale securities Securities with market quotations Same as on the left. Securities without market quotations Same as on the left.
	(2) Inventories Merchandise Mainly stated at cost determined by the moving-average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).	(2) Inventories Merchandise Same as on the left
(2) Depreciation and amortization of principal depreciable assets	(1) Property, plant and equipment (excluding lease assets) Depreciation of property, plant and equipment is calculated using the declining-balance method, except for buildings (excluding attached structures) acquired on or after April 1, 1998, which are depreciated using the straight-line method. Useful life of principle assets is as follows: Buildings and structures: 6-47 years Tools, furniture and fixtures: 3-15 years	(1) Property, plant and equipment (excluding lease assets) Same as on the left.
	(2) Intangible assets (excluding lease assets) Amortization of intangible assets is calculated using the straight-line method. Software development costs are amortized over an expected useful life of 5 years by the straight-line method.	(2) Intangible assets (excluding lease assets) Same as on the left.
	(3) Long-term prepaid expenses Long-term prepaid expenses are amortized using the straight-line method.	(3) Long-term prepaid expenses Same as on the left.

Item	FY2009 (Apr.1, 2009 - Mar.31, 2010)	FY2010 (Apr.1, 2010 – Mar. 31, 2011)
	(4) Lease assets Depreciation of lease assets is calculated using the straight-line method with no residual value, assuming the lease period to be the useful life of the asset. For finance lease transactions where there is no transfer of ownership beginning on or before March 31, 2008, depreciation is calculated using an accounting method that is based on the method used for ordinary lease transactions.	(4) Lease assets Same as on the left.
(3) Recognition of significant allowances	(1) Allowance for doubtful accounts To prepare for credit losses on receivables, an allowance equal to the estimated amount of uncollectible receivables is provided for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibles. (2) Provision for bonuses To properly reserve for employee bonus obligations, an amount accrued for the current consolidated fiscal year among the estimated future obligations is designated in the reserve amount. (3) Provision for merchandise warranties To provide for 5-year after-sales service cost for merchandise, an estimated amount is reserved based on the historical performance. (4) Provision for retirement benefits To properly reserve for employees' retirement benefits, an allowance is provided for the amount deemed to have accrued at the end of the current fiscal year based on the projected benefit obligations and pension assets at the end of the fiscal year in part of subsidiaries. (Additional information) From the current consolidated fiscal year, the Company has changed from the approved retirement annuity system to the defined contribution annuity system. As a result of terminating the previous system, the Company booked an extraordinary income of 39,481 thousand yen attributed to the transfer to the defined contribution pension plan. It should be mentioned that the company which has newly become one of our consolidated subsidiaries during this consolidated fiscal year adapts the retirement lump sum grants system. Thus, in preparation for the provision of the retirement benefits to the employees of this subsidiary, the accrued retirement benefits is posted based on the projected benefit obligations and pension assets at the end of the fiscal year.	(1) Allowance for doubtful accounts Same as on the left. (2) Provision for bonuses Same as on the left. (3) Provision for merchandise warranties Same as on the left. (4) Provision for retirement benefits To properly reserve for employees' retirement benefits, an allowance is provided for the amount deemed to have accrued at the end of the current fiscal year based on the projected benefit obligations and pension assets at the end of the fiscal year in part of subsidiaries.

Item	FY2009 (Apr.1, 2009 - Mar.31, 2010)	FY2010 (Apr.1, 2010 – Mar. 31, 2011)
	(5) Provision for directors' retirement benefits To properly reserve for directors' retirement benefits, an allowance is provided for the aggregate amount payable at the end of the current fiscal year pursuant to the Company's rules on directors' retirement benefits in part of subsidiaries. (Additional information) The Company had been posting an allowance payable at the end of the fiscal year pursuant to the Company's rule on directors' retirement benefits. However, it was resolved at the conclusion of the General Meeting of Shareholders on June 18, 2009, that the directors' retirement benefits program for the directors will be abolished. At the same meeting, the final payment of retirement benefits to directors was approved. The final payment of retirement benefit will be paid upon retirement of the incumbent directors. Therefore, the reserve for the retirement benefits for directors 123,799 thousand yen was reversed and posted on the "Long-term accounts payable" under the non-current liabilities. Please note that, as before, some subsidiaries are booking an allowance payable at the end of the fiscal year pursuant to the Company's rule in preparation for the provision of their directors' retirement benefits.	(5) Provision for directors' retirement benefits To properly reserve for directors' retirement benefits, an allowance is provided for the aggregate amount payable at the end of the current fiscal year pursuant to the Company's rules on directors' retirement benefits in part of subsidiaries.

Item	FY2009 (Apr.1, 2009 - Mar.31, 2010)	FY2010 (Apr.1, 2010 – Mar. 31, 2011)
(4) Amortization of goodwill and negative goodwill	Goodwill is amortized by the straight-line method over a period of 5 years.	Same as on the left.
(5) Scope of cash and cash equivalents on statements of cash flows	For the purpose of statements of cash flows, cash and cash equivalents consists of vault cash, deposits that can be withdrawn on demand, and short-term investments, with original maturities of 3 months or less, that are readily convertible known amounts of cash and present insignificant risk of change in value.	Same as on the left.
(6) Other significant accounting policies in the preparation of financial statements	Accounting for national and local consumption taxes National and local consumption taxes are accounted by the tax-exclusion method.	Accounting for national and local consumption taxes Same as on the left.
5. Valuations on assets and liabilities of consolidated subsidiaries	Assets and liabilities in consolidated subsidiaries are evaluated based on their full market value.	Same as on the left.

(7) Changes in Significant Accounting Policies in the Preparation of Consolidated Financial Statements

FY2009 (Apr. 1, 2009 – Mar. 31, 2010)	FY2010 (Apr. 1, 2010 – Mar. 31, 2011)
	(Application of accounting standards regarding asset retirement obligations) From this consolidated fiscal year, "Accounting standards regarding asset retirement obligations" (ASBJ No. 18, March 31, 2008), and "Application guidelines for accounting standards regarding asset retirement obligations" (ASBJ Guideline No. 21, March 31, 2008) have been applied. This reduced the operating income and ordinary income by 28,113,000 yen and the income before income taxes and minority interests by 148,756,000 yen in this consolidated fiscal year.
	(Application of "Accounting Standards Regarding the Equity Method" and "Temporary Treatment Regarding the Accounting of Affiliates Subject to the Equity Method") From this consolidated fiscal year, "Accounting Standards Regarding the Equity Method" (ASBJ No. 16, March 10, 2008) and "Temporary Treatment Regarding the Accounting of Affiliates Subject to the Equity Method" (Practical Solutions Report No. 24, March 10, 2008) have been applied. This did not affect ordinary income or income before income taxes and minority interests in this consolidated fiscal year.

(8) Changes in Description Method

FY2009 (Apr. 1, 2009 – Mar. 31, 2010)	FY2010 (Apr. 1, 2010 – Mar. 31, 2011)
	(Consolidated financial statements) In this consolidated fiscal year, this has been presented by the account of "Income before minority interest" because of the "Cabinet Order for Partial Revision of the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc." (Cabinet Order No. 5, March 24, 2009) based on the "Accounting Standards for Consolidated Financial Statements" (ASBJ No. 22 dated December 26, 2008)."

(9) Additional information

FY2009 (Apr. 1, 2009 – Mar. 31, 2010)	FY2010 (Apr. 1, 2010 – Mar. 31, 2011)
(Accounting procedure for J-ESOP) At the board meeting on March 15, 2010, it was resolved that the Company will introduce "J-ESOP (Employee Stock Ownership Plan)", a program to provide the company's shares to the employees as a new benefit service. This program intends to enhance motivation and willingness of employees for improving the share price and business performance by enhancing connectivity between share price and the performance and sharing economic effects with shareholders. In line with the introduction of this program, the Trust and Custody Services Bank Co., Ltd. (the Trust), obtained the Company's 5,000 shares as of March 19, 2010. For the account processing of the J-ESOP, the Company and the Trust are integrated to place emphasis on the economic reality. Thus, the Company's shares owned by the Trust as well as the assets, debts, expenditure and profit of the Trust are included in the consolidated balance sheets, consolidated statements of income, consolidated statement of changes in net assets, and consolidated cash flows. Therefore, the number of shares includes the shares owned by the Trust. The number of shares owned by the Trust as of March 31, 2010, is 5,000 shares.	
	From this consolidated fiscal year, "Accounting Standards Regarding Presentation of Comprehensive Income" (ASBJ No. 25, June 30, 2010) has been applied. However, "Other comprehensive incomes" and "Total of other comprehensive incomes" in the previous consolidated fiscal year are "Valuation/translation differences, etc." and "Total valuation/translation differences, etc."

(10) Notes to Consolidated Financial Statements

(Notes to Consolidated Balance Sheets)

(Thousands of yen)

FY2009 (Apr. 1, 2009 – Mar. 31, 2010)		FY2010 (Apr. 1, 2010 – Mar. 31, 2011)	
*1. Breakdown of inventories		*1. Breakdown of inventories	
Merchandise	5,310,370	Merchandise	5,489,784
Work in process	3,653	Work in process	903
Supplies	1,701	Supplies	9,377
Total	5,315,725	Total	5,500,066
*2. Accounts payable for purchases made jointly with franchise stores are paid after the Company has received the amount due from the franchise stores for their portion of these purchases. The Company posts these joint purchase accounts payable as "Accounts payable-other" and the amounts due from franchise stores as "Accounts receivable-other". At the end of the fiscal year, "Accounts receivable-other" totaled 403,210 thousand yen and "Accounts payable-other" totaled 762,691 thousand yen.		*2. Accounts payable for purchases made jointly with franchise stores are paid after the Company has received the amount due from the franchise stores for their portion of these purchases. The Company posts these joint purchase accounts payable as "Accounts payable-other" and the amounts due from franchise stores as "Accounts receivable-other". At the end of the fiscal year, "Accounts receivable-other" totaled 241,942 thousand yen and "Accounts payable-other" totaled 532,471 thousand yen.	
*3. The following items are applicable to affiliates		*3. The following items are applicable to affiliates	
Investment securities (equity)	76,193	Investment securities (equity)	77,287

(Notes to Consolidated Statements of Income)

(Thousands of yen)

FY2009 (Apr. 1, 2009 – Mar. 31, 2010)	FY2010 (Apr. 1, 2010 – Mar. 31, 2011)
*1. Ending inventories are shown after reductions in book values to reflect declines in profitability and following inventory valuation losses are included in the cost of sales. 3,457	*1. Ending inventories are shown after reductions in book values to reflect declines in profitability and following inventory valuation losses are included in the cost of sales. 3,454
*2. Breakdown of loss on retirement of non-current assets Buildings and structures 4,503 Tools, furniture and fixtures 3,104 Other - Total 7,608	*2. Breakdown of loss on retirement of non-current assets Buildings and structures 14,505 Tools, furniture and fixtures 2,615 Other - Total 17,121
*3. The Group recognized an impairment loss on noncurrent assets for the following groups of assets	*3. The Group recognized an impairment loss on noncurrent assets for the following groups of assets

FY2009:

Location	Usage	Item
Kanagawa	Retail stores	Buildings and structures Other property, pla and equipment

The Group attempts to recognize impairment losses by grouping retail stores as the smallest units for generating cash flows. For stores where business activities are consistently unprofitable and there is a small probability of recovering the entire amount of non-current assets for that asset group, the Company reduces the book value of that asset group to the amount that can be recovered. The resulting non-current asset impairment loss of 13,595 thousand yen was recognized as an extraordinary loss.

* Breakdown of impairment loss

Location	Impairment loss		
	Buildings and structures	Other	Total
Kanagawa	9,221	4,374	13,595

Net sales prices are used to determine the value of non-current assets that can be recovered for an asset group. These are calculated based on residual value or disposable value.

FY2010:

Location	Usage	Item
Kanagawa	Retail stores	Buildings and structures

The Group attempts to recognize impairment losses by grouping retail stores as the smallest units for generating cash flows. For stores where business activities are consistently unprofitable and there is a small probability of recovering the entire amount of non-current assets for that asset group, the Company reduces the book value of that asset group to the amount that can be recovered. The resulting non-current asset impairment loss of 5,006 thousand yen was recognized as an extraordinary loss.

* Breakdown of impairment loss

Location	Impairment loss		
	Buildings and structures	Other	Total
Kanagawa	5,006	-	5,006

Net sales prices are used to determine the value of non-current assets that can be recovered for an asset group. These are calculated based on residual value or disposable value.

(Notes to Consolidated Statement of Comprehensive Incomes)

FY2010 (April 1, 2010 - March 31, 2011)

*1. Comprehensive incomes in the consolidated fiscal year immediately before this consolidated fiscal year

Comprehensive income relating to shareholders of parental company	705,979,000 yen
Comprehensive income relating to minority shareholders	22,861,000 yen
Total	728,841,000 yen

*2. Other comprehensive incomes in the consolidated fiscal year immediately before this consolidated fiscal year

Valuation difference on available-for-sale securities	29,148,000 yen
Total	29,148,000 yen

(Notes to Consolidated Statements of Changes in Net Assets)

FY2009 (Apr. 1, 2009 – Mar. 31, 2010)

1. Type and number of outstanding shares and treasury stock

(Shares)

	Number of shares as of Mar. 31, 2009	Increase during the fiscal year	Decrease during the fiscal year	Number of shares as of Mar. 31, 2010
Outstanding shares				
Common shares	225,020	-	-	225,020
Total	225,020	-	-	225,020
Treasury stock				
Common shares (Note)1,2	4,873	8,611	-	13,484
Total	4,873	8,611	-	13,484

Note: 1. At the board meeting on March 15, 2010, it was resolved that the Company will introduce "Employee Stock Ownership Plan (J-ESOP)", a program to provide the company's shares to the employees as a new benefit service. On March 19, 2010, the Trust and Custody Services Bank Co., Ltd. (the Trust) acquired 5,000 shares of the Company.
Treasury stock includes the 5,000 shares of the Company owned by the Trust as of March 31, 2011.
2. The 8,611 shares in treasury stock are shares of treasury stock acquired by the resolution at the board meeting and also shares of the Company owned by the Trust.

2. Items related to acquisition rights for new shares and treasury stock

Not applicable.

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting on May 12, 2009	Common shares	77,051	350	Mar. 31, 2009	Jun. 19, 2009
Board of Directors meeting on Nov. 5, 2009	Common shares	75,787	350	Sep. 30, 2009	Dec. 7, 2009

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting on May 11, 2010	Common shares	74,037	Retained earnings	350	Mar. 31, 2010	Jun. 24, 2010

(Note) The amount above does not include 1,750 thousand yen of dividend for 5,000 shares of the Company's shares owned by the Trust as of Mar. 31, 2011.

FY2010 (Apr. 1, 2010 – Mar. 31, 2011)

1. Type and number of outstanding shares and treasury stock

(Shares)

	Number of shares as of Mar. 31, 2010	Increase during the fiscal year	Decrease during the fiscal year	Number of shares as of Mar. 31, 2011
Outstanding shares				
Common shares	225,020	-	-	225,020
Total	225,020	-	-	225,020
Treasury stock				
Common shares *1	13,484	-	8,484	5,000
Total	13,484	-	8,484	5,000

(Note)1. The number of treasury stock includes the Company's shares owned by the Trust as of March 31, 2011. The number of shares owned by the Trust as of March 31, 2011, is 5,000 shares.

2. The decreasing number of treasury stock, 8,484 shares, are consisted by the disposal of treasury stock at decision of Board of directors' meeting.

2. Items related to acquisition rights for new shares and treasury stock

Classification	Breakdown of subscription rights to shares	Type of shares subject to subscription rights	Number of shares subject to subscription rights (share)				Balance as of Mar. 31, 2011 (thousand yen)
			Number of shares as of Mar. 31, 2010	Increase during the fiscal year	Decrease during the fiscal year	Number of shares as of Mar. 31, 2011	
The Company and some subsdiaries	Employee Stock Ownership Plan (J-ESOP)	Common shares	-	402	8	394	9,987
Total		-	-	402	8	394	9,987

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting on May 11, 2010	Common shares	74,037	350	Mar. 31, 2010	Jun. 24, 2010
Board of Directors meeting on Nov. 4, 2010	Common shares	77,007	350	Sep. 30, 2010	Dec. 6, 2010

(Note) The amount above does not include 1,750 thousand yen of dividend for 5,000 shares of the Company's shares owned by the Trust as of record date.

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Source of funds	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting on May 10, 2011	Common shares	77,007	Retained earnings	350	Mar. 31, 2011	Jun. 24, 2011

(Note) The amount above does not include 1,750 thousand yen of dividend for 5,000 shares of the Company's shares owned by the Trust as of March 31, 2011.

(Notes to Consolidated Statements of Cash Flows)

(Thousands of yen)

FY2009 (Apr. 1, 2009 – Mar. 31, 2010)	FY2010 (Apr. 1, 2010 – Mar. 31, 2011)
*1. Reconciliation of cash and cash equivalents of the statements of cash flows and account balances of balance sheets for the current fiscal year is made as follows Cash and deposits 1,753,981 Time deposits with maturities longer than 3 months - Cash and cash equivalents 1,753,981	*1. Reconciliation of cash and cash equivalents of the statements of cash flows and account balances of balance sheets for the current fiscal year is made as follows Cash and deposits 2,505,003 Time deposits with maturities longer than 3 months - Cash and cash equivalents 2,505,003
*2. The breakdown of the assets and debts of a company which newly became our subsidiary by acquisition of additional stocks The following is the breakdown of the assets and debts of PC DEPOT Kyushu Co., Ltd., which recently became our subsidiary by acquisition of additional stocks, as well as the relationships between its acquisition price and expenditure (net) for acquisition; Current assets 501,298 Non-current assets 24,425 Goodwill 19,699 Current liabilities (492,783) Non-current liabilities (27,343) Stock acquisition price 25,296 Equity-method value by the time of acquisition (2,059) Acquisition price of the shares that were additionally obtained 23,237 Cash and cash equivalents of the new subsidiary 26,790 Balance: Expenditure for acquisition 3,552	

(Segment Information)

a. Operating segment information

FY2009 (Apr. 1, 2009 – Mar. 31, 2010)

(Thousands of yen)

	PC sales business	Internet-related business	Total	Elimination or corporate	Consolidated
I Net sales, operating income and ordinary income					
Net sales					
(1) External sales	42,027,419	2,712,714	44,740,133	-	44,740,133
(2) Inter-segment sales and transfers	213,003	116,524	329,528	(329,528)	-
Total	42,240,422	2,829,239	45,069,661	(329,528)	44,740,133
Operating expenses	41,404,662	2,449,908	43,854,571	(340,915)	43,513,656
Operating income	835,759	379,330	1,215,090	11,387	1,226,477
Ordinary income	944,890	378,266	1,323,156	(16,977)	1,306,179
II. Assets, depreciation, impairment loss and capital expenditures					
Assets	15,591,795	2,461,014	18,052,809	(98,610)	17,954,199
Depreciation	491,999	387,912	879,912	-	879,912
Impairment loss	13,595	-	13,595	-	13,595
Capital expenditures (Notes 3)	1,605,234	54,648	1,659,882	-	1,659,882

Notes: 1. Operating segments are determined in accordance with the characteristics of each business activity. The activities of each segment area as follows.

PC sales business: Sales of personal computers and related merchandise (includes income from royalties)

Internet-related business: Internet service provider business of a subsidiary, website production business, Internet-related services, business involving Yahoo! BB, and agency services for SoftBank mobile phone subscriptions

2. Change in accounting policy

Not applicable.

3. Capital expenditures include long-term prepaid expenses, lease and guarantee deposits, and construction assistance fund receivables used for opening of stores.

b. Geographical segment information

FY2009 (Apr. 1, 2009 – Mar. 31, 2010)

Geographic segment information is not presented since the Company did not have consolidated subsidiaries or branch offices in areas other than Japan.

c. Overseas sales

FY2009 (Apr. 1, 2009 – Mar. 31, 2010)

Overseas sales information is not presented since we had no overseas sales.

d. Segment information

FY2010 (April 1, 2010 - March 31, 2011)

1. Outline of report segment

The report segments are composition units of the Company for which separate financial information is available and that are reviewed periodically by the board of directors to determine the allotment of managerial resources and evaluate the financial results.

Our Group has the Company and subsidiaries for individual merchandise and services. The companies work out strategies about their merchandise and services and do business activities according to their strategies.

Therefore, our Group is organized from merchandise and service segments based on the Company and subsidiaries. By considering similarities, merchandise and services are integrated into the two report segments of "PC sales business" and "Internet-related business."

In the PC sales business, we sell personal computers and their related merchandise and services. In the Internet-related business, we operate provider and website construction services.

2. Amount calculation methods for sales, profit or loss, assets, liabilities, and other items in each report segment

The accounting method in the reported business segments is as specified in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Profit in each report segment is based on ordinary income, and inter-segment sales and transfers, etc. are based on market price, etc.

3. Information regarding the amounts of sales, profit or loss, assets, liabilities, and other items in each report segment

FY2010 (April 1, 2010 - March 31, 2011)

(Thousands of yen)

	Report segment			Amount of adjustment (*1)	Amount accounted on consolidated financial statements (*2)
	PC sales business	Internet-related business	Total		
Net sales					
External sales	44,822,421	2,090,301	46,912,722	-	46,912,722
Inter-segment sales and transfers	594	123,817	124,411	(124,411)	-
Total	44,823,015	2,214,118	47,037,134	(124,411)	46,912,722
Segment income	1,305,914	217,879	1,523,794	(14,007)	1,509,787
Other items					
Depreciation expenses	517,561	78,171	595,732	-	595,732

Notes: 1. For the segment profit, the amount of adjustment is the elimination of dividends income (-14,007,000 yen) between the segments.

2. The segment profit is adjusted with the ordinary income in the consolidated financial statements.

(Additional information)

From this consolidated fiscal year, "Accounting standards regarding the disclosure of segment information etc." (ASBJ No. 17, March 27, 2009), and "Application guidelines for accounting standards regarding the disclosure of segment information etc." (ASBJ Guideline No. 20, March 21, 2008) have been applied.

(Per Share Information)

(Yen)

FY2009 (Apr. 1, 2009 – Mar. 31, 2010)		FY2010 (Apr. 1, 2010 – Mar. 31, 2011)	
Net assets per share	40,514.17	Net assets per share	42,500.70
Net income per share	3,107.98	Net income per share	3,417.66
Diluted net income per share is not presented since the Company has no outstanding dilutive securities.		Diluted net income per share	3,411.36

Note1: The following is a reconciliation of net income per share and diluted net income per share

Item	FY2009 (Apr. 1, 2009 – Mar. 31, 2010)	FY2010 (Apr. 1, 2010 – Mar. 31, 2011)
Net income per share		
Net income (thousand yen)	676,831	737,972
Amounts not available to common shareholders (thousand yen)	-	-
Net income available to common shares (thousand yen)	636,831	737,972
Average number of shares outstanding during the period (shares)	217,772	215,929
Diluted income per share		
Net income adjustment (thousand yen)	-	-
Increase in the number of common shares (shares)	-	399
Summary of potential stock not included in the calculation of "Diluted net income per share" since there was no dilutive effect.	-	-

Note2: The "average number of shares outstanding during the period", which were used to calculate information per share in the current consolidated fiscal year, do not include the 5,000 shares owned by the Trust

(Subsequent Events)

Not applicable.

(Sales by Items)

(Thousands of yen)

[Segment name] Items	FY2009 (Apr.1,2009 - Mar.31,2010)		FY2010 (Apr.1,2010 - Mar.31,2011)		Year-on-year Change (%)
	Amount	%	Amount	%	
[PC sales business]					
PC	10,787,395	24.1	11,155,587	23.8	103.4
Monitor	1,372,539	3.1	1,130,444	2.4	82.4
Printer	936,102	2.1	828,478	1.8	88.5
Peripherals	12,367,600	27.6	11,260,755	24.0	91.1
Accessories and supplies	5,197,674	11.6	5,225,538	11.1	100.5
Software	1,526,476	3.4	1,328,169	2.8	87.0
Office automation equipment, used goods, and others	2,837,230	6.3	4,643,520	9.9	163.7
Total sales of products	35,025,018	78.2	35,572,495	75.8	101.6
Income from royalties	559,295	1.3	522,954	1.1	93.5
Income from technical service and commissions	6,868,510	15.4	8,726,971	18.6	127.1
Total	42,452,824	94.9	44,822,421	95.5	105.6
[Internet-related business]	2,287,308	5.1	2,090,301	4.5	91.4
Total	44,740,133	100.0	46,912,722	100.0	104.9

(Notes) 1. The above amounts do not include consumption taxes.
2. Inter-segment trading are balanced out
3. Franchise sales, included with other inc.ome from royalties, totaled 9,983,490 thousand yen.

*From the current consolidated fiscal year, "Accounting standards regarding the disclosure of segment information etc." (ASBJ No. 17, March 27, 2009), and "Application guidelines for accounting standards regarding the disclosure of segment information etc." (ASBJ Guideline No. 20, March 21, 2008) have been applied. Each segment, which was previously categorized in accordance with similarities of products and selling methods, is re-categorized under the perspective of business management. When comparing this year's and previous year's figures, it described with replacing figures for the previous consolidated fiscal year with new segment category.

(Omission of Disclosure)

Notes on transactions with related parties, financial instruments, securities, derivative transactions, stock options, retirement allowances, asset retirement obligations, real estate properties for rent, lease transactions, tax effect accounting, and corporate mergers are not disclosed in this Summary because its disclosure here is considered not significant.

For these notes, please refer to our 17th Annual Securities Report (April 1, 2010 - March 31, 2011) to be submitted on June 24, 2011.

5. Other

(1) Change in directors

1) Change in representative director

Not applicable

2) Change in other directors

- Candidates for directors

Director: Takayuki Shimano (current position: Senior executive operating officer)

3) Scheduled date of appointment

June 23, 2011